MAXWELL'S MARKET SHARES

Coffee consumption continues to cool off

By JOHN C. MAXWELL JR.

Coffee still seems to be losing its kick, and the outlook for the future is not much better.

For the past 20 years, coffee consumption has been on the decline. In 1987, per capita consumption remained relatively flat at 25.3 gallons per person, even though the number of cups consumed per person per day rose 1.1% to 1.76 cups.

This modest increase, however, was offset by a decline in the proportion of people drinking coffee, according to estimates by Wheat First Securities. Consumers are continually moving away from hot and acrid drinks to cold drinks.

In 1986, per capita consumption of coffee dropped 1.9% to 25.3 gallons. This might have been caused partly by higher coffee prices, which resulted from a drought in Brazil.

In 1987, retail prices were lower, as were coffee bean prices.

Although overall consumption in 1987 remained relatively flat, there remains a direct correlation between coffee consumption and the age of consumers. As the population ages, consumption increases.

But consumption by age group is dropping across the board, and, thus, we expect coffee consumption to continue declining for the foreseeable future.

According to *Beverage Marketing*, 27% of all coffee drinkers (consuming four to nine cups a day) account for 53% of the coffee consumed. Light coffee drinkers (three or fewer cups a day) are 31% of the population, but drink less than 7% of all coffee consumed.

In the soluble instant coffee market, General Foods Corp.'s market share appears to be eroding, down to 39.1% in 1987 from 40.3% in 1986.

It seems most of the decrease is being picked up by Nestle Foods Corp. and Procter & Gamble Co., gaining 1.4 share points and 0.6 share points, respectively.

In the regular coffee market, GF showed a 1.4 share-point loss, from 35.9% in 1986.

Again, P&G seems to be benefiting from the GF loss, picking up more than 3 share points.

The U.S. Department of Agriculture has estimated 1987-88 world production at a record 101.2 million bags, an increase of almost 29% from an estimated 78.5 million for 1986-87.

The record production estimate is primarily due to the extremely strong Brazilian crop and some recovery in Colombia.

The 101.2 million-bag crop has had a dampening effect on prices, even though all beans may not be of the quality that's demanded by both the roasters and consumers.#

Mr. Maxwell is an analyst with Wheat First Securities, Richmond, Va.

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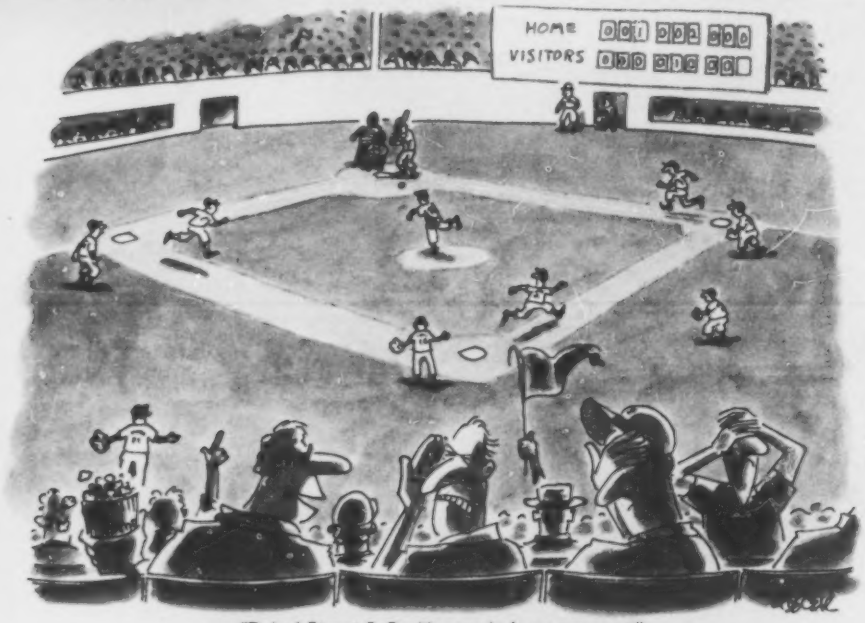
Coffee market shares

Source: John C. Maxwell Jr.

	1983	1984	1985	1986	1987
Regular coffee					
General Foods					
Maxwell House					
Regular	19.0	18.6	18.8	18.3	18.1
Decaf.	—	—	—	2.4	2.0
Private Collection	—	—	—	—	0.2
Subtotal	19.0	18.6	18.8	20.7	20.3
Master Blend	7.5	8.0	9.0	8.4	7.6
Sanka	2.2	2.2	2.1	1.7	2.1
Yuban					
Regular	1.0	0.7	0.6	2.3	2.3
Decaf.	—	—	—	0.4	0.4
Subtotal	1.0	0.7	0.6	2.7	2.7
Brim (includes Max-Pax)	2.7	2.6	2.6	2.4	1.8
Mellow Roast	0.5	0.4	0.3	—	—
Total	32.9	32.5	33.4	35.9	34.5
Procter & Gamble					
Folgers					
Regular	24.9	26.2	27.0	19.9	22.8
Decaf.	—	—	—	2.8	3.4
Flakes	—	—	—	5.5	5.1
Total	24.9	26.2	27.0	28.2	31.3
Hills Brothers					
Hills Brothers	7.4	7.7	7.8	7.9	7.5
MJB	—	—	—	2.5	2.7
Chase & Sanborn	—	—	—	0.9	1.3
Total	7.4	7.7	7.8	11.3	11.5
Chock Full O'Nuts	5.0	5.8	5.4	4.6	5.1
Coca-Cola					
Maryland Club	1.0	1.0	1.0	1.0	0.9
Butternut	1.5	1.4	1.5	1.2	1.1
Total	2.5	2.4	2.5	2.2	2.0
Subtotal	72.7	74.6	76.1	82.2	84.4
All others	27.3	25.4	23.9	17.8	15.6
Grand total	100.0	100.0	100.0	100.0	100.0
Instant coffee					
General Foods					
Maxwell House					
Regular	22.5	22.9	23.7	21.9	21.5
Decaf.	—	—	—	3.1	2.4
Subtotal	22.5	22.9	23.7	25.0	23.9
Maxim	2.6	2.4	2.3	1.6	1.5
Sanka	8.9	8.8	8.6	8.4	8.8
Freeze Dried Sanka	2.1	2.0	1.5	1.0	0.7
Yuban	0.6	0.5	0.4	0.6	0.6
Brim	3.9	2.8	2.1	1.7	1.8
Mellow Roast	0.5	0.3	—	—	—
International Coffees	1.6	1.9	2.0	2.0	2.0
Total	42.7	41.6	40.6	40.3	39.1
Nestle					
Nescafe Regular	6.1	5.7	5.5	7.2	7.5
Nescafe Decaffeinated	2.2	2.3	2.0	2.1	3.1
Taster's Choice Regular	9.5	9.7	9.8	10.3	10.6
Decaffeinated	0.3	0.2	—	—	—
Taster's Choice Decaffeinated	6.1	6.4	6.6	6.2	6.2
Sunrise	1.2	1.2	1.1	1.0	0.8
Total	25.4	25.5	25.0	26.8	28.2
Procter & Gamble					
Folgers Regular	12.5	13.0	13.3	14.6	14.9
Highpoint	2.9	2.5	1.9	1.3	1.1
Decaffeinated Folgers	—	2.0	2.6	3.5	4.0
Total	15.4	17.5	17.8	19.4	20.0
Borden					
Kava	0.9	0.8	0.7	0.6	0.5
Subtotal	84.4	85.4	84.1	87.1	87.8
All others	15.6	14.6	15.9	12.9	12.2
Grand total	100.0	100.0	100.0	100.0	100.0



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Catalog offers aid for social problems

NEW YORK—The American Values' Community Action Network has compiled a catalog that offers nothing for sale except ideas designed to help solve "people problems."

More than 500 ideas for solving problems related to child and spouse abuse, drug abuse, drinking and the needs of the hungry and homeless are now described in the 22-page Can Do! catalog.

The problem areas were researched by Daniel Yankelovich and the Public Agenda Foundation so that the American Values' Community Action Network could concentrate on these areas during 1988.

The catalog is priced at $8. Address is 211 E. 43rd St., Suite 1400, New York 10017.#

Special Report

CALIFORNIA

Agencies battle for billings in hot L.A. market

By Jennifer Pendleton

Believing that Los Angeles is on the brink of a transformation from provincial business center to U.S. commercial capital, ad agencies based in Europe and in other parts of the U.S. have sought to establish West Coast offices.

TBWA, the expansion-minded multinational agency with European roots, found the Los Angeles market isn't for everybody, however. As recently as 1986, the agency dispatched a senior executive to the second largest U.S. city to scout locations and interview prospective personnel.

But the agency decided the timing wasn't right. "We thought, and still think, [Los Angeles] is a great market," says Richard Costello, TBWA's U.S. president. "But our big concern was that there was too much competition, far more competition than any market can absorb. Los Angeles doesn't need another advertising agency."

Scali McCabe Sloves probably wishes it had TBWA's foresight. In January, the New York-based agency that produced so much award-winning creative work in the 1970s folded its 2-year-old Los Angeles office after failing to win any major accounts.

"[Los Angeles] isn't a great advertising agency market," says Scali Chairman Marvin Sloves. "It's hard to make money there, even when you're well established . . . Our assumption was that because of our great success in New York, we were automatically assured a place in Los Angeles. It was wrong—very wrong."

But Scali is not through with California forever. "It doesn't mean I'm not going back. When, I don't know, but we'll probably go back," says Mr. Sloves.

At present, Los Angeles may be the most competitive agency city in the country. Because of a surplus of agencies and a limited number of consumer product accounts in the Los Angeles area, better-known shops have been forced to compete for smaller accounts. For example, Asher/Gould, BBDO Worldwide; DDB Needham Worldwide, Della Femina, Travisano & Partners, Foote, Cone & Belding, Ketchum Advertising and Sokol Berman all competed last fall for the $4 million California Egg Commission account. Asher/Gould won the account in November.

Branch offices of major multinationals are especially hard-pressed as conflicts with business in other represented cities frequently block efforts to pitch accounts.

"Everybody's scrambling for a piece of the pie. Look at the available advertising dollars and the number of agencies. I continue to be amazed with what it takes to move down the field," says John Littlewood, chairman-ceo, N W Ayer, Los Angeles.

Cleveland-based Wyse Advertising is the latest agency to expand into Los Angeles (AA, April 4). Wyse is short on details but says it hopes to fulfill its plans by the fall. Undoubtedly others will follow.

"Los Angeles is characterized by a lot more retail-oriented business than any other market," explains Gerrold Rubin, president, Rubin, Postaer and Associates, Los Angeles. "If you want to be in this market, you have to posture yourself to do that kind of work."

Of course 'that kind of work'—typically hard-sell, price-and-item messages—are anathema to most creatives, especially people from the East," says Mr. Rubin. "But you adjust or perish."

Ben Enis, professor of marketing at the University of Southern California, Los Angeles, believes the city could become the premier city of U.S. business. "More than any other city on the planet, [Los Angeles] has the opportunity to be such."

Emerging are signs that indicate California's largest city has the potential to become the U.S. business hub in years to come.

The ports of Long Beach and Los Angeles handled 58.6 million tons of cargo in 1986, far ahead of the port of New York and New Jersey's com-

(Continued on Page 56)

Top five advertising agencies in California's top five agency markets
(By billings)

Los Angeles

($ in millions)	*1987*	*1986*
Foote, Cone & Belding	259.0	229.0
Saatchi & Saatchi DFS	235.0	150.0
Admarketing Inc.	201.0	184.0
Chiat/Day	140.0	141.0
Grey Advertising, Western Div.	131.7	117.4

San Francisco

($ in millions)	*1987*	*1986*
Foote, Cone & Belding	221.0	205.0
J. Walter Thompson	141.0	151.0
Ketchum Advertising	137.3	147.4
Hal Riney & Partners	125.0	125.0
McCann-Erickson	113.4	103.0

San Jose

($ in millions)	*1987*	*1986*
Tycer Fultz Bellack	26.3	25.4
Winkler McManus*	23.0	23.6
Carlick Advertising*	18.2	13.3
Austin Assoc.*	17.0	18.0
Winston Advertising*	13.5	10.3

San Diego

($ in millions)	*1987*	*1986*
Phillips-Ramsey*	31.0	29.0
Kenneth C. Smith & Assoc.*	31.0	24.0
Franklin & Assoc.*	28.0	18.0
Knoth & Meads Co.*	21.0	20.0
Arnold-Buck*	14.2	14.0

Sacramento

($ in millions)	*1987*	*1986*
Girvin, Conrad & Girvin*	42.1	39.6
E. Clark & Assoc.*	19.0	12.1
Carrea, Hitomi & Assoc.*	9.5	8.5
Runyon Saltzman*	6.0	4.5
Grant Media Services*	5.1	5.2

Source: ADVERTISING AGE U.S. Advertising Agency Profiles, 1988 Edition.
*Most of the agencies listed by market reported billings information via questionnaires verified by outside accountants. The asterisk indicates those that did not report and required phone calls. AA consulted local business journals and advertising associations at times to arrive at an accurate market list when agencies did not cooperate.

L.A. agency competition boils

(Continued from Page S-1)
bined 21 million ton level. A University of California at San Diego study shows that 82% of California's total annual trade of $80 billion is with Pacific Rim nations.

According to the Southern California Association of Governments, the population of the six-county southern California region will increase from 12.8 million in 1985 to 18.3 million by 2010.

The ethnic makeup of the region will also change. The 60% of the population that is white today will shrink to 41% by 2010. Hispanics, now 24% of the region's total, will make up almost 40%. Asians, now consisting of 6.2%, will account for 9.3%. Blacks, currently 9% of the total, expect a modest increase to 10.2%.

Pundits long assumed that Los Angeles would become the nation's ad capital as its stature as a business center increased. The theory now has fallen out of favor.

According to David W. Stewart, a USC marketing professor and industry consultant, New York and Chicago will remain the ad centers unless major corporations move their headquarters to Los Angeles, he says. "So far, I don't see any evidence that that is happening," he says. "There is no question Los Angeles is becoming a more important marketing town as the expansion of the Pacific Rim occurs. But it is highly unlikely it will become a more important advertising center."

It may take a while for Los Angeles to achieve the No. 1 spot. According to ADVERTISING AGE's 1988 edition of "U.S. Advertising Agency Profiles," New York had total 1987 billings of $19.7 billion, seven times Los Angeles' $2.8 billion. Chicago held onto its No. 2 position, with total billings of $5.1 billion, almost twice that of Los Angeles. San Francisco came in at $1.3 billion.

Currently, Los Angeles agencies face some rather overwhelming odds against snaring major national advertising accounts because so few are located in the region.

Only eight of the recent ADVERTISING AGE 100 Leading National Advertisers are based on the West Coast. Walt Disney Co. was largest with a $219 million 1986 budget, making it the 38th-largest national advertiser. Toyota Motor Sales USA followed with a $209 million budget, American Honda Motor Co. at $205 million, Nissan Motor Corp. USA with $180 million, Mazda Motors of America at $156 million. E&J Gallo Winery, Clorox Co. and Pacific Telesis Group also appeared in the ranking.

The extent to which Japanese auto companies dominate the ranking is telling. Agency executives estimate Asian-based automakers currently make up in excess of $800 million of the Los Angeles market's total billings.

"An agency can't come here and build a successful operation on any other client basis alone," says Nelson "Skip" Riddle, president-chief operating officer of Saatchi & Saatchi DFS, Torrance, Calif., which handles Toyota.

During the past two years, other major Asian concerns—Hyundai Motor America and Daihatsu America—established U.S. operations in southern California, bringing additional billings into the market for Backer Spielvogel Bates and Admarketing Inc., respectively.

There is the prospect of other reasonably significant auto advertising clients from Asia. Nissan's newly established Infiniti division, which will market luxury cars, is expected to name a U.S. ad agency soon, and South Korea's Kia Motor Corp. is hoping to establish itself in the U.S. by 1989. Likewise, Yue Loong Motor Corp. of Taiwan and Global Motors, marketer of Yugoslavia's Yugo, are considering marketing Asian-built vehicles in the U.S. in the near future.

In addition, John Hammond, managing partner of J.D. Power & Associates, an Agoura Hills, Calif.-based market research company, points to Korea's Samsung as a potential new auto competitor in the U.S. within 10 years. In longer terms—well into the 21st century—he believes automotive companies from India and the People's Republic of China may enter into the U.S. market.

Outside automotive, entertainment and entertainment-related businesses make up the only other substantial sector of the Los Angeles advertising market.

The major Hollywood studios, plus the myriad smaller entertainment companies, collectively represent $800 million to $1 billion in total ad billings. Among the most significant trends in recent years: escalating ad budgets for the theatrical release of major motion pictures and the booming home video business. But the business—famous for its instability—has brutal swings.

For agencies trying to survive in the Los Angeles of today, there is no alternative but to make the most of every opportunity.#

Ryder & Schild adds unit

MIAMI—Ryder & Schild, an ad agency with annual billings of more than $20 million, has formed Ryder & Schild Direct.

The unit will handle direct mail, telemarketing and computer-based list segmentation.

Sheridan Sands, 55, will be the VP in charge of Ryder & Schild Direct. He was formerly president of Power House Marketing, Passaic Park, N.J.

Ryder & Schild wants to increase its direct-mail billings from about 2% of total billings to between 10% and 15% in the next few years, Mr. Sands said.#

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Bank advertising on the wane

By JUDITH GRAHAM

Bank advertising is languishing as the industry grapples with a scarcity of new products.

The home equity loan, last year's hot banking product, is no longer getting heavy ad spending after falling short of bankers' expectations. Ads for "all-in-one" accounts, typically combining checking and savings accounts with credit lines, also have trailed off as these once-innovative products have become standard fare.

"The diminution of bank advertising volume crosses all product categories," said Kenneth Foushee, president of Imprimatur, a St. Louis-based ad and sales-promotion agency. "The bottom line is that there's a dearth of products to advertise now."

In the New York metropolitan market, home equity advertising totaled $2.8 million for the January-to-April period, down 12.5% from the $3.2 million spent in 1987's first four months, according to Competitrack, which tracks financial services advertising.

All-in-one account advertising plunged 49% to $2.2 million in the same period this year, and advertising for individual retirement accounts—popular between 1982 and April 1987 but less so now because of tax reform—skidded 61% to $1.6 million, Competitrack said.

Print advertising was hit hardest.

According to Ad Trends, a Bank Marketing Association service that tracks advertising in 300 major markets, the volume of page ads slipped 21.9%—to 3,091—in the first four months of this year from the same period in 1987.

Not all bank advertising is in the doldrums. The nation's larger banks are shifting more of their marketing dollars to image-building TV campaigns.

In New York, banks spent $8.8 million on image-building TV spots in the first four months of 1988, up 137.8% from the year before. During the same period, print ad spending tumbled 11% to $24 million, Competitrack said.

In other markets, increased mergers and acquisitions in the banking industry are prompting banks to define new identities.

"Competition is more intense than ever this year, with banks moving into new regions through acquisitions and non-bank banks posing a serious threat," said Michael Warner, VP-director of advertising at the Bank Marketing Association. "And banks are doing more image advertising to maintain their position."

In terms of product spots, some banks are starting to direct more ad dollars to the heart and soul of their business: checking accounts.

For example, First National Bank of Chicago has created a new checking-account package and is backing it with a 30-second animated spot from Foote, Cone & Belding.

The industry's slowdown in new-product development follows a surge of activity after government regulations were relaxed in 1980.

"Banks were very creative in developing products that were more convenient and that had more favorable rate structures. But now, by and large, these things have been done," said Robert Moss, Competitrack president.

One reason ad spending is down is because bankers overestimated the size and profit potential of the home equity market. The falloff in that advertising has been drastic.

In the January-to-April period, home equity advertising slipped 71.3% to 96 full pages, Ad Trends reported.

Bankers expected consumers would rush to take out the tax-deductible home equity loans in the wake of the 1986 Tax Reform Act, which eliminated tax deductions for most consumer interest expenses. But most consumers shied away from the loans, partly because of criticism from consumer advocates.

Then banks hurt their profitability by waiving or lowering fees on the loans to attract customers, said Edward Furash, president of Furash & Co., a bank consulting company.

This year, banks have changed the positioning of home equity loans, stressing their ease and convenience instead of their tax deductibility and relatively low cost.#

Ad spending rises 7.4%

Coen charts bigger gains at local level during 1987

NEW YORK—U.S. advertising volume totaled $109.65 billion in 1987, a 7.4% increase from 1986, according to final figures tabulated by Robert J. Coen, senior VP-director of forecasting at McCann-Erickson Worldwide.

As the accompanying tables show, total local advertising outpaced national advertising in percentage growth, gaining 8.2% compared with 6.6% for national advertising.

Advertising in the largest category, newspapers, grew a healthy 9% last year, led by a 9.8% increase in local advertising.

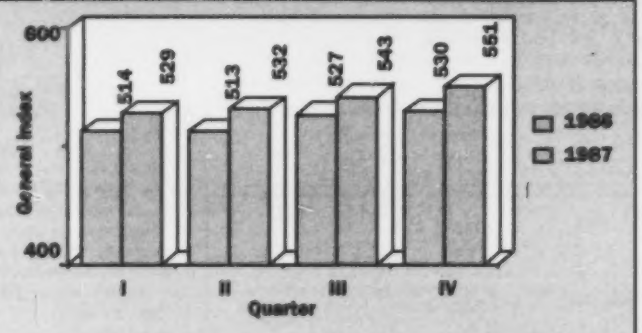
By contrast, Mr. Coen reported only a 1.9% hike in network TV advertising.

"The major problems in the advertising industry in 1987 and during the two preceding years can be traced to stagnation in major mass-media budgeting by large national marketers that do business across the U.S.," Mr. Coen wrote in an earlier article (AA, May 23). These charts were originally intended to accompany that article.

Mr. Coen expects 1988 ad volume to be about 9% above 1987.#

National advertising index 1987

The McCann-Erickson national advertising indexes are key barometers of the month-to-month changes in national advertising spending. These indexes are seasonally adjusted measures of the monthly advertising revenues for the major national media. The general index is a composite of net TV, spot TV, magazines and newspaper expenditures by national advertisers, and 1967 = 100. *Source:* McCann-Erickson.



Month	General Index	Net TV	Spot TV	Magazines	Newspapers
January	533	586	712	439	374
February	519	563	672	442	382
March	536	602	657	450	408
April	511	567	636	425	395
May	529	578	650	452	422
June	555	601	720	468	412
July	539	561	715	436	450
August	555	583	728	441	473
September	535	555	676	465	444
October	545	603	714	449	387
November	553	612	715	448	416
December	554	593	721	485	397
Average	539	584	693	450	413
Chg over '86	+3.6%	+1.9%	+4.2%	+5.5%	+3.5%

U.S. advertising volume

The McCann-Erickson U.S. advertising volume reports represent all expenditures by U.S. advertisers—national, local, private individuals, etc. The expenditures, by medium, include all commissions as well as the art, mechanical and production expenses that are part of advertisers' budgets for each medium. *Source:* Prepared for Advertising Age by Robert J. Coen, McCann-Erickson.

Medium	1986 Millions of dollars	1986 % of total	1987 Millions of dollars	1987 % of total	% change
Newspapers					
National	3,376	3.3	3,494	3.2	+3.5
Local	23,614	23.1	25,918	23.6	+9.8
Total	26,990	26.4	29,412	26.8	+9.0
Magazines					
Weeklies	2,327	2.3	2,445	2.2	+5.1
Women's	1,376	1.3	1,417	1.3	+3.0
Monthlies	1,614	1.6	1,745	1.6	+8.1
Total	5,317	5.2	5,607	5.1	+5.5
Farm Publications	192	0.2	196	0.2	+2.0
Television					
Network	8,342	8.2	8,500	7.8	+1.9
Cable (nat'l)	676	0.7	760	0.7	+12.5
Syndication (nat'l)	600	0.6	762	0.7	+27.0
Spot (nat'l)	6,570	6.4	6,846	6.2	+4.2
Spot (local)	6,514	6.3	6,833	6.2	+4.9
Cable (non-net.)	179	0.2	203	0.2	+13.6
Total	22,881	22.4	23,904	21.8	+4.5
Radio					
Network	423	0.4	413	0.4	−2.4
Spot	1,348	1.3	1,330	1.2	−1.3
Local	5,178	5.1	5,463	5.0	+5.5
Total	6,949	6.8	7,206	6.6	+3.4
Direct Mail	17,145	16.8	19,111	17.4	+11.5
Business Papers	2,382	2.3	2,458	2.3	+3.2
Outdoor					
National	600	0.6	615	0.5	+2.5
Local	385	0.4	410	0.4	+6.5
Total	985	1.0	1,025	0.9	+4.2
Miscellaneous					
National	9,879	9.7	10,533	9.6	+6.6
Local	9,420	9.2	10,198	9.3	+8.3
Total	19,299	18.9	20,731	18.9	+7.4
Total					
National	56,850	55.7	60,625	55.3	+6.6
Local	45,290	44.3	49,025	44.7	+8.2
Grand total	102,140	100.0	109,650	100.0	+7.4

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Advertising Age

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Last Minute News

Omnicom mulls sale of Tracy-Locke share

DALLAS—Omnicom Group is believed to be negotiating the sale of a minority share of Tracy-Locke to a small group of the agency's executives. Sources say Howard Davis, Tracy-Locke chairman, and Phil Slott, who about one month ago left his post as chairman of BBDO, London, are among the potential minority owners. Mr. Slott has already met with some agency clients, sources say.

If it happens, the sale of an interest in the $326 million agency would mark the first time one of the new mega-agency groups had agreed to sell part of a U.S. shop to employees. WPP Group Chief Executive Martin Sorrell refused to sell Lord, Geller, Federico, Einstein, New York,

(Continued on Page 8)

IBM eyes consultant—P. 103

Fox net signals major upheaval

By VERNE GAY

NEW YORK—News Corp. Ltd. said it might radically restructure, or possibly even eliminate, the Fox Television Network if it continues to suffer huge financial losses.

In a meeting before financial analysts last week, News Corp. Chief Financial Officer Richard Sarazen said the network would lose $80 million in the fiscal year ending this month. The company had expected losses of only $30 million to $50 million, he said.

Mr. Sarazen also said News Corp. would review its options by yearend if the massive hemorrhage keeps flowing, sources said.

Contacted by ADVERTISING AGE late last week, Mr. Sarazen said: "I was asked at the meeting how long we would be willing to lose money at the rate we're losing it today. And I told the analysts that Barry Diller [Fox chairman] and Rupert Murdoch [News Corp. chairman] are continuing to review the progress of Fox Broadcasting and that . . . six to nine months from now they'll have a better idea."

One analyst said people left the meeting with the impression that News Corp. would close the network if losses continued to pile up. Although he said this indication "was very strong," other analysts said this "totally misrepresented" Mr. Sarazen's remarks.

Mr. Sarazen emphasized to AD AGE that the company may later "see light at the end of the tunnel," but even if it

(Continued on Page 103)

Tobacco ads: Times have changed

By FRED DANZIG

Since the legendary George Washington Hill of American Tobacco Co. took tobacco advertising onto radio in 1928, cigarette advertising has been among the most innovative and persistent.

Much of that advertising turned to health issues during the late 1940s and early '50s. Not the stern health *warnings* seen today, but ads calling brands "the greatest protection." Or claiming, "you'll feel better."

Last week, a jury found Liggett & Myers Tobacco Co. partially liable for an L&M smoker's death from lung cancer—in part due to a 1950s L&M ad claiming its cigarettes were "just what the doctor ordered."

This is the first time a tobacco company has been held liable for the health implications of its advertising, and the focus now is on those early claims—particularly pre-1966, when health warnings on packs and in ads became law.

That era's cigarette advertising seems incredible in light of today's knowledge about the hazards of smoking.

Celebrity endorsers such as Rosalind Russell and Barbara Stanwyck, movie stars of the day, as well as TV's popular Lucille Ball and Desi Arnez, made pitches for various brands.

In 1947, one of R.J. Reynolds Tobacco Co.'s ads boasted of a doctors' survey: "More doctors smoke Camels than any other cigarette. Not one single case of throat irritation." Throat irritation was a common angle; opera stars also were used as endorsers.

Still, the Federal Trade Commission did get involved in those days. It once ordered Mr. Hill to drop ad claims for

(Continued on Page 102)

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